

Indiana Volkswagen Environmental Mitigation Trust Fund Committee Meeting

- I. Welcome - Chair, Beverly Gard
- II. Call to Order - Chair, Beverly Gard
- III. Onroad-Nonroad Applications
 - A. Overview of applications and quantitative scoring-IDEM OAQ.
 - B. Qualitative considerations and award options-IDEM OAQ.
 - C. Award recommendations and rationale-IDEM OAQ.
 - D. Opportunity for Committee to seek input/clarification from applicants.
 - E. Committee discussion and consideration of awards.
 - F. Committee action on recommended awards.
- IV. Identification of Tentative Next Steps
 - A. DERA Option RFP (October 2019).
 - B. Electric Infrastructure Workshop.
-October 8, 2019 from 9:00 a.m. – 3:00 p.m., Indiana Gov. Center South.
 - C. 2nd Round Onroad-Nonroad RFP (February 2020).
 - D. Electric infrastructure RFP (March 2020).
- V. Next Committee Meeting and Topics
 - A. Mid-January
-Award Recommendations for DERA Nonroad-Option RFP.

-Refinements for 2nd Round Onroad/Nonroad RFP.

-Preparation of Electric Infrastructure RFP.
- VI. Public comment - Open floor for stakeholders
- VII. Closing remarks – Chair, Beverly Gard
- VIII. Adjournment



Indiana Volkswagen Environmental Mitigation Trust Program

*Round 1 Onroad and Nonroad Applications,
Considerations, Recommendations
and Program Next Steps*

July 23, 2019



Onroad-Nonroad Applications



Overview of Applications and Quantitative Scoring

- 63 applications received
 - 4 electric school bus applications
 - 13 nonelectric school bus applications
 - 42 onroad vehicle applications
 - 4 nonroad equipment and vehicle applications
- Each application reviewed for eligibility
- Each application's cost effectiveness and total NOx emission reductions were calculated using U.S. EPA's Diesel Emission Quantifier
- Each application scored by 5 technical staff making up the review team using VW Committee-approved criteria
- Review team met to discuss each application after review process to discuss scoring discrepancies
- Review team arrived at final scores for each application
- These were the Round 1 full project list scoring ranks shared with VW Committee on July 16
- Applications later sorted into 4 previously defined groups for additional scoring rank consideration



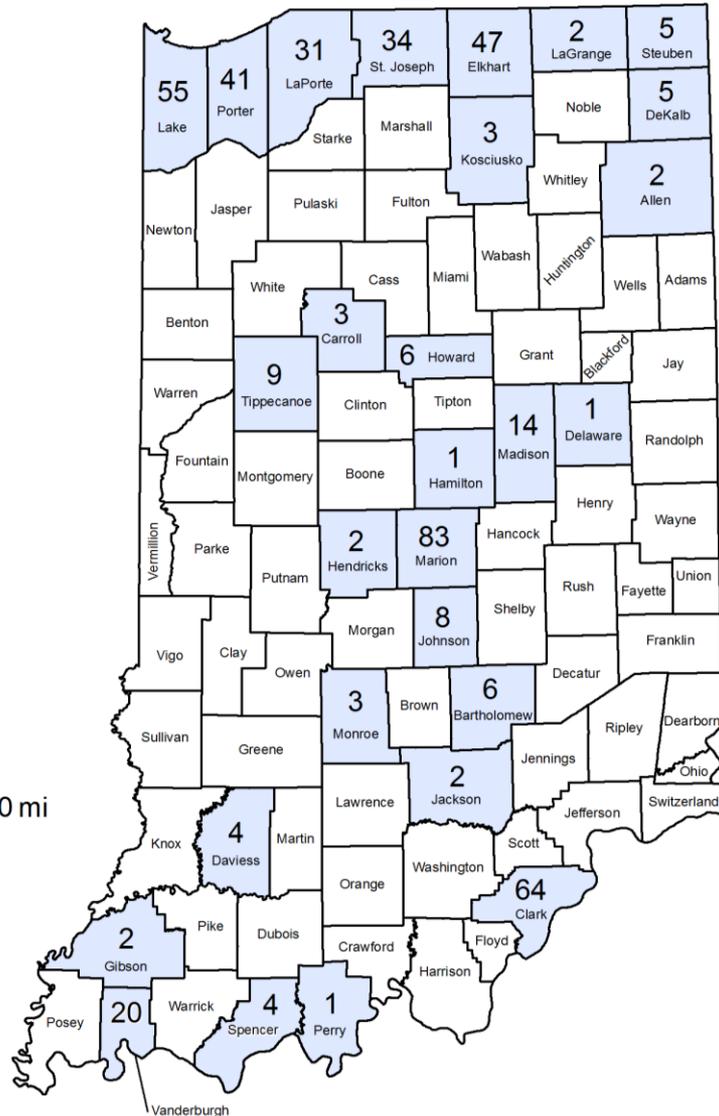
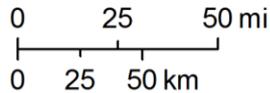
Qualitative Considerations

- Geographic balance
 - Vehicle engines per county map provides insight and shows statewide distribution of applicants
- NOx reductions in areas of air quality concern and sensitive populations
 - Majority of projects are located in areas with larger air quality concern and sensitive populations
- Fuel-type balance in 460 vehicles/engines
 - 285 diesel, 77 compressed natural gas (CNG), 67 liquefied petroleum gas (Propane), 31 all-electric
- Vehicle type balance
 - School bus, transit bus, refuse hauler, short haul, long haul, rail, marine, drayage, and ground support equipment



Round 1 Volkswagen Mitigation Trust Applications Number of Vehicles/Engines by County

County With Number of
Vehicles/Engines -
Application Received



Mapped By: C. Mitchell, OAQ
Date: 07/22/2019
Source: IDEM, Office of Air Quality
Map Projection: UTM Zone 16 N
Map Datum: NAD83

This map is intended to serve as an aid in graphic representation only. This information is not warranted for accuracy or other purposes.



General Award Options

- Fully award each project based solely on evaluation score until the funds in each group are exhausted with remaining projects being unfunded
- Fully award projects based primarily on evaluation score with qualitative considerations until funds in each group are exhausted with remaining projects being unfunded
- Partially award each project as necessary to provide a level of funding to all eligible applicants
- Partially award projects based primarily on evaluation score with qualitative considerations with remaining projects being unfunded



General Award Considerations

- To increase distribution of funds to the widest geography as well as areas of higher air quality concern, sensitive population, and a variety of fuel options; a cap of \$800,000 per award was applied
- Some funding groups were underfunded, while one was overfunded
- Overall, IDEM received applications totaling \$27 million for the \$9.83 million allocated to Round 1
- Options presented in the following slides are not meant to imply other options do not exist
- Evaluating, scoring, and recommending awards is complicated
- With nearly three times the available funds requested, many good projects will not be funded in Round 1 of the program



Electric School Bus Considerations and Award Options

Electric School Bus (ESB) Award Options:

(Allocation: \$850,000 – Requested \$2,576,434)

- Consideration 1 – Impact of contingent funding from 3rd party
- Consideration 2 – Borrowing from future years and skipping Round 2 funding in the ESB group would provide around 2 years of pilot project study for sustainable projects in the future
- Option 1 – Borrow from future years of ESB group where necessary and fully fund one (1) project
- Option 2 – Borrow from future years of ESB group where necessary and fully fund more than one (1) project
- Option 3 – Borrow from future years of ESB group and fully fund one (1) bus for each applicant



Electric School Bus Award Recommendation and Rationale

IDEM Electric School Bus Recommendation:

- Option 2 - Borrow \$1,050,798 from future years of ESB group to fully fund three (3) school buses for Monroe County Community School Corporation and Delphi Community School Corporation

IDEM Recommendation Rationale:

- “Shovel ready” projects
- Initial three (3) bus purchases shows financial investment and a commitment to the pilot project
- Two ideally scaled pilot projects in different geographic locations, providing insight into future round considerations
- Larger county implications verses smaller community



Electric School Bus Award Recommendation Table

Electric School Bus - Funding Available: \$850,000

Applicant	Project County	Number of Vehicles	VW Request	Applicant Match	Total Evaluation Scores
Bartholomew County Schools	Bartholomew	2	\$ 370,000	57%	87
Monroe County Community Schools	Monroe	3	\$ 955,798	25%	51
Delphi Community Schools	Carroll	3	\$ 945,000	25%	44
Carmel Clay Schools	Hamilton	1	\$ 305,636	25%	43
		9	\$ 2,576,434	32%	

* Applicant funding amount includes "contingent" funding from a third-party



Nonelectric School Bus Considerations and Award Options

Nonelectric School Bus (NSB) Award Options:

(Allocation: \$1,990,000 – Requested \$2,397,783)

- Option 1 – Borrow from Round 2 of NSB group where necessary and fully fund all projects
- Option 2 – Borrow from Round 2 of NSB group and fully fund 11 of 13 projects (roughly where funding runs out)
- Option 3 – Do not borrow from Round 2 of NSB group and partially fund all projects proportionate to available funding



Nonelectric School Bus Award Recommendations and Rationale

IDEM Nonelectric School Bus Recommendation:

- Option 2 – Borrow \$56,000 from Round 2 of NSB to fully fund 11 of the top 13 scoring applications, which is roughly equivalent to available funding for the group

IDEM Recommendation Rationale:

- Borrowing the least from Round 2
- Preserves majority of future round funds for more competitive projects
- Good geographic distribution
- All eligible fuel options in group included



Nonelectric School Bus Award Recommendation Table

Nonelectric School Bus - Funding Available: \$1,990,000

Applicant	Project County	Number of Vehicles	VW Request	Applicant Match	Total Evaluation Scores
Wa-Nee Community Schools	Elkhart	8	\$ 202,398	75%	72
Dekalb County Schools	Dekalb	5	\$ 142,987	75%	63
Lake Station Schools	Lake	3	\$ 72,043	75%	55
Wayne Township Schools	Marion	14	\$ 351,383	75%	53
Greater Clark County Schools	Clark	8	\$ 161,579	75%	53
Franklin Community Schools	Johnson	8	\$ 226,667	75%	46
Michigan City Schools	LaPorte	8	\$ 207,699	75%	43
Tri-Creek Schools	Lake	2	\$ 52,883	75%	42
Kokomo School Corporation	Howard	6	\$ 146,250	75%	41
Westview School Corp	LaGrange	2	\$ 45,534	75%	41
Warren Township Schools	Marion	16	\$ 436,686	75%	39
East Chicago Schools	Lake	5	\$ 129,700	75%	37
Goshen Community Schools	Elkhart	7	\$ 221,975	75%	31
		92	\$ 2,397,783	75%	



Nonroad Equipment Considerations and Award Options

Nonroad Equipment (NE) Award Options:
(Allocation: \$2,730,000 – Requested \$1,230,683)

- Option 1 – Fully fund all NE projects
- Option 2 – Open for discussion



Nonroad Equipment Award Recommendations and Rationale

IDEM Nonroad Equipment Recommendation:

- Option 1 – Fully fund all NE projects

IDEM Recommendation Rationale:

- All NE projects have significant emission reduction benefits
- Most are transformational—3 diesel to electric—in their particular industry
- Good geographic distribution

IDEM NE Funding Consideration:

- Due to limited number of proven all-electric technologies in NE industries, Round 1 funding demand came in under funds available
- IDEM recommends reallocating remaining \$1.5 million in Round 1 to the Onroad Vehicles group where demand was greater



Nonroad Equipment Award Recommendation Table

Nonroad - Funding Available: \$2,730,000

Applicant	Project County	Number of Vehicles or Engines	VW Request	Applicant Match	Total Evaluation Scores
MM Transportation/Mulzer	Spencer	4	\$ 270,000	60%	74
Magnum Logistics	Hendricks	1	\$ 219,188	25%	62
United Airlines	Marion	8	\$ 414,945	25%	50
Roll & Hold Warehouse	Porter	1	\$ 326,551	25%	41
		14	\$ 1,230,683	37%	

Note: IDEM recommends reallocating remaining \$1.5 million in Round 1 to the Onroad Vehicles group where demand was greater



Onroad Vehicles

Considerations and Award Options

Onroad Vehicles (OV) Award Options:

(Allocation: \$4,260,000 – Requested \$20,765,015)

- Consideration 1 – Moving \$1,500,000 from NE Group brings potential Round 1 OV total funding to \$5,760,000
- Option 1 – Keep Onroad Group applicants in single ranked list and fully fund projects until available funds are expended
- Option 2 – Keep Onroad Group applicants in single ranked list and partially fund top percentage (10%, 25%, 33%, etc.) proportionate to available funding
- Option 3 – Separate project list down into Project Vehicle Types and fully fund top applicant of each type
- Option 4 - Separate project list down into Project Vehicle Types and partially fund top percentage (10%, 25%, 33%, etc.) of each type



Onroad Vehicles

Award Recommendations and Rationale

IDEM OV Award Consideration:

- IDEM's award recommendation includes a Round 1 transfer of \$1.5 million from the NE Group to the OV Group

IDEM Onroad Vehicles Recommendation:

- Option 4 – Focusing on the top 33% of each Project Vehicle Type

IDEM Recommendation Rationale:

- Top 33% results in 13 projects mostly located in areas of air quality and sensitive population concern
- Good geographic distribution
- Many transformational projects in their particular industry
- All eligible fuel options in group included
- 4 diesel-powered, 6 CNG-powered, 3 electric-powered
- Results in remaining funds of nearly \$600,000 for VW Committee discussion



Onroad Vehicles

Award Recommendation Table

Onroad - Funding Available: \$4,260,000 + \$1,500,000 from Nonroad = \$5,760,000
Long Haul Only

Applicant	Project County	Project Fuel Type	Number of Vehicles	VW Request	Applicant Match	Total Evaluation Scores
Walt's Drive Away Service	Vanderburgh	CNG	20	\$ 1,041,980	74%	76
Sodrel Truck Lines	Clark	Diesel	56	\$ 1,730,410	75%	61
James Silvey	Marion	Diesel	1	\$ 55,714	75%	49
V&S Transport	Madison	Diesel	2	\$ 111,427	75%	34
			345	\$ 2,939,531	75%	

Transit Bus Only

Applicant	Project County	Project Fuel Type	Number of Vehicles	VW Request	Applicant Match	Total Evaluation Scores
Gary Public Transit Corp	Lake	Electric	5	\$ 2,000,000	59%	57
Citilink Transit	Allen	Electric	2	\$ 320,000	80%	49
South Bend Transpo	St. Joseph	CNG	12	\$ 1,227,685	80%	44
IndyGo Transit	Marion	Electric	5	\$ 2,167,713	50%	43
City Bus of Greater Lafayette	Tippecanoe	CNG	7	\$ 266,000	93%	37
East Chicago Transit	Lake	Diesel	4	\$ 419,656	75%	29
			345	\$ 6,401,054	71%	



Onroad Vehicles

Award Recommendation Table

Onroad - Funding Available: \$4,260,000 + \$1,500,000 from Nonroad = \$5,760,000
Short Haul/Drayage Only

Applicant	Project County	Project Fuel Type	Number of Vehicles	VW Request	Applicant Match	Total Evaluation Scores
Jack Gray Transport	Lake	Diesel	11	\$ 725,881	58%	54
Estes Express Lines	St. Joseph	Diesel	15	\$ 373,313	75%	53
ADS Logistics	Porter	Diesel	15	\$ 1,298,093	50%	40
City of Hobart	Lake	CNG	2	\$ 107,244	75%	39
Michigan City Sanitation District	LaPorte	CNG	3	\$ 171,133	75%	39
R&L Transfer	Madison	Diesel	12	\$ 276,412	80%	37
Omada Worldwide Expedite Inc.	Hendricks	Electric	1	\$ 375,000	25%	36
City of South Bend	St. Joseph	CNG	2	\$ 113,958	75%	34
Ozinga Ready Mix Concrete	Porter	CNG	25	\$ 1,459,344	75%	34
Corico, Inc.	Lake	Diesel	14	\$ 471,137	75%	32
Sysco	Marion	Diesel	20	\$ 420,000	80%	31
Hammond Water Works	Lake	Diesel	4	\$ 127,898	75%	29
Town of Cedar Lake	Lake	Diesel	2	\$ 101,380	75%	29
LaPorte County Highway	LaPorte	Diesel	20	\$ 994,799	75%	29
St. Joseph County Highway	St. Joseph	Diesel	5	\$ 348,619	75%	29
Gordon Food Service	Marion	Diesel	4	\$ 118,100	75%	26
Elkhart County Highway	Elkhart	Diesel	2	\$ 143,603	75%	22
City of Goshen	Elkhart	Diesel	4	\$ 318,394	75%	22
Daviess County Highway	Daviess	Diesel	4	\$ 132,337	75%	19
Steuben County Highway	Steuben	Diesel	5	\$ 206,250	75%	18
Gibson County Highway	Gibson	Diesel	2	\$ 56,208	75%	16
Kosciusko County Highway	Kosciusko	Diesel	3	\$ 129,557	75%	16
Clarksville Public Works*	Clark	Diesel	2			
* Clarksville Public Works withdrew application			345	\$ 7,742,776	72%	



Onroad Vehicles

Award Recommendation Table

Onroad - Funding Available: \$4,260,000 + \$1,500,000 from Nonroad = \$5,760,000
Refuse Hauler Only

Applicant	Project County	Project Fuel Type	Number of Vehicles	VW Request	Applicant Match	Total Evaluation Scores
Homewood Disposal	Lake	CNG	3	\$ 209,211	75%	32
City of Seymour	Jackson	CNG	2	\$ 180,000	75%	32
Muncie Sanitary District	Delaware	CNG	1	\$ 34,200	75%	31
Best Way Disposal	Marion	Diesel	15	\$ 802,428	75%	31
City of Lafayette	Tippecanoe	Diesel	2	\$ 176,919	75%	26
Waste Away Group	Elkhart	Diesel	15	\$ 1,029,020	75%	25
Republic Services	Elkhart	Diesel	11	\$ 290,094	90%	24
City of Columbus	Bartholomew	Diesel	4	\$ 207,259	75%	22
Tell City	Perry	Diesel	1	\$ 26,643	75%	17
			345	\$ 2,955,773	78%	

Total Available for Onroad Vehicles with Nonroad Added	\$	5,760,000
Total of Top 33% Recommended Awards with an \$800,000 cap	\$	5,172,393
Remaining Balance for VW Committee Discussion	\$	(587,607)



Opportunity for Committee to Seek Input or Clarification from Applicants Present



Committee Discussion and Award Recommendations



Committee Action on Recommended Awards



Identification of Tentative Next Steps



Estimated Timeline of Upcoming Milestones

Milestone	Estimated Completion	Advisory Committee Involvement
Round 1 Onroad-Nonroad awards issued	August 1, 2019	NA
DERA Option RFP posted	October 2019	NA
EV infrastructure workshop	October 8, 2019	Participate
Round 2 Onroad-Nonroad RFP posted	February 2020	Review and/or Approve
EV Infrastructure Request for Proposals	March 2020	Review and/or Approve



Next Committee Meeting and Topics



Next Committee Meeting

	Advisory Committee Involvement
Mid-January 2020	
Award recommendations for DERA Option	Review and/or Approve
Refinements to Round 2 Onroad-Nonroad RFP	Review and/or Approve
Preparation of Electric Infrastructure RFP	Review and/or Approve



Public Comments



For More Information

Indiana Volkswagen Mitigation Trust Program website:

www.idem.IN.gov/vwtrust

For program assistance:

Shawn Seals

Senior Environmental Manager

IDEM – Office of Air Quality

(317) 233-0425

SSeals@idem.IN.gov

